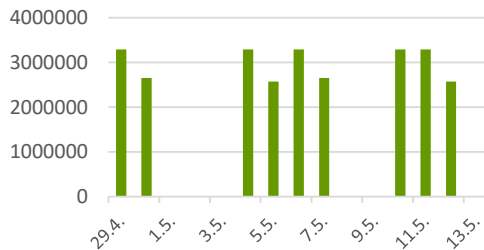


EUA prices €/t 30.4.2021 11:11

Product	Bid	Ask	Last	Change*
Spot**	47.79	47.86	47.67	2.01 % ↑
Dec-21	47.92	47.95	47.92	2.23 % ↑
Dec-22	48.38	48.44	48.36	2.34 % ↑
Dec-23	49.16	49.23	49.29	3.27 % ↑

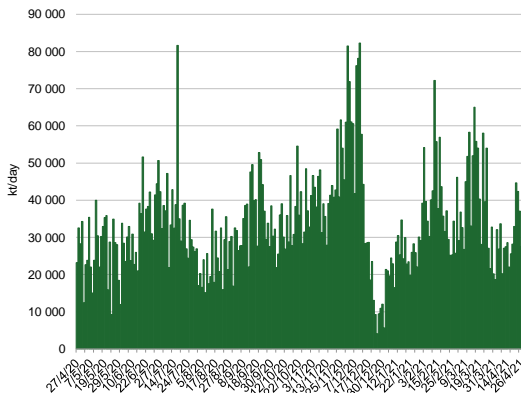
*Change compared to the previous report ** EEX spot

Upcoming auction volumes



Daily traded EUA volume, ICE Futures Europe*

*Daily traded volumes of EUA futures contracts at ICE Futures Europe exchange



Energy prices 30.4.2021 11:11

Product	Unit	Prices*	Change*
ENO Q3-2021	€/MWh	28.80	-2.60 % ↓
ENO 2022	€/MWh	28.00	1.43 % ↑
ENO 2023	€/MWh	26.85	1.01 % ↑
ENO 2024	€/MWh	26.80	1.49 % ↑
EEX, Base load Cal-21	€/MWh	59.75	2.51 % ↑
Brent crude	\$/bbl	68.24	4.78 % ↑
Natural gas UK (Q2-21)	p/therm	56.28	7.79 % ↑
Coal CIF ARA API2 2022	\$/t	75.50	0.93 % ↑

*Change compared to the previous report **Last trade price

Market Analysis

Last week, the emission allowance price continued upwards and reached new peaks almost daily during the week. Last-minute purchases ahead of surrenders could have been supportive of the market and emission allowance auctions in particular on Tuesday and Thursday were strong. The EU reached agreement on an emissions target of 55% for 2030 and announcement of the decision on Wednesday morning supported the market, which reached new peaks. The upward trend spilled over into Thursday until the price weakened slightly on Friday, when it closed the week at a level of €46.95, up €2.53 at the weekly level.

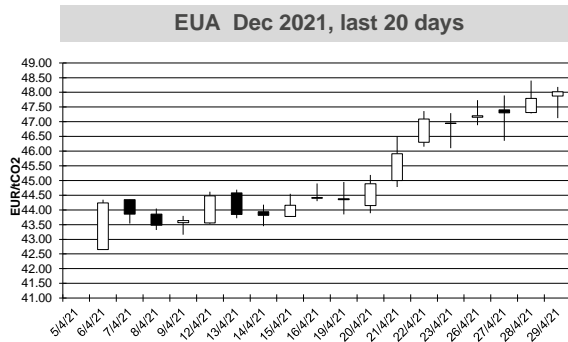
There will be no auction on Monday May 3 (week 18), and this will reduce auction availability during that week. Auction availability will also be lower the following week, with only three days' volumes available. Last week, volumes traded on ICE rose to above normal levels and trading has been comparatively brisk also during the current week.

Market View

During the current week, the rise in the fuel markets has also boosted the emission allowance price. Prices of coal, oil and natural gas have been rising. Demand outlook has supported the price of oil even though OPEC will increase its output next month. The current week saw a spike in the price of gas when concerns about a reduction in the supply from Russia was supportive of the market, which is already currently tighter than normal in Europe. Because of the colder than normal spring among other things, gas stocks in Europe are about a third lower than last year. The weather will continue to be cooler than normal, and May is forecast to be cooler than normal as a whole.

Friday of the current week is the last day to return emission allowances. After this, support from regulated operators will ease, but so far there have been no signs of a fall. Investor support remains, last week saw net positions of funds rose for the fourth week in a row. UK ETS trading is likely to begin in mid-May and free allocations can be expected in June and these factors could put slight pressure on the market in the mid-term.

The emission allowance price has been rising during the current week and the trend remains very strong, with new peaks being reached almost daily last week. The RSI has risen to north of 70 and this indicates that the DEC-21 product is overbought. Resistance levels for the emission allowance price can be found at the level of the all-time peak of €50/t and the latest peak of €48.40/t. Support for the emission allowance price can currently be found at the levels of the previous peaks of €47.36/t, €44.35t as well as €43.77/t. We expect the emission allowance price to continue rising and to trade at €46 - €50/t.



Black candles indicate days with closing price below opening price.
White candles indicate days with closing price above opening price.

On Agenda: Europe

London hedge fund Northlander Commodity Advisors has established a new fund, which is based on the rise in the emission allowance price. The fund invests mostly in the European emission market but hopes to add other emission markets to the fund as they emerge. The fund representative sees the fund as a new way of implementing direct climate actions in its investments. The EUA price has risen 80% since the price levels at the start of 2020. The analysts expect the emission allowance price to reach €100/t later this decade as the EU limits the number of emission allowances. However, the rise has been faster than expected, partly because of investor activity.¹

On Agenda: Global

Actual carbon dioxide emissions are higher than countries have reported. Researchers have found a similar difference in reported and actual climate emissions in US emissions. The 5.5 billion-tonne difference is explained by the scientific methods used in national reporting and international methods. The problem would be solved if it were possible to compare the estimates. The risk is that forest management could be considered as absorbing more emissions and the need for actual emissions reduction would then be smaller. The countries would need to update the benchmark values they use and with this also their climate targets.²

CDM pipeline	30.4.2021 11:11	
	Amount	Change
Number of projects**	8374	-6
Registered projects*	7808	0
Volume of the pipeline by the year 2020, MtCO2e**	515	0
Issued CERs, MtCO2e*	2000	15

*Change compared to the previous report.

**Pipeline: UNEP/Risoe is updated monthly. Registered projects and issued CERs: UNFCCC

Upcoming events	
Date	Event
May 4, 2021	The Commission will publish data on EUA surrenders
May 19, 2021	First UK ETS auction and listing of future products on ICE

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Sources:

- [1 Bloomberg news](#)
- [2 Reuters news](#)

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